

Message Text

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C O N F I D E N T I A L STATE 121380

LIMDIS

FOLLOWING REPEAT MOSCOW 6800 ACTION SECSTATE INFO BANGKOK BELGRA
DE

BERLIN USBERLIN BUCHAREST BUDAPEST CANBERRA HONG KONG

JAKARTA KUALA LUMPUR LONDON MANILA MUNICH NEW DELHI PARIS PEKING

RANGOON SINGAPORE TAIPEI TOKYO VIENTIANE CINCEUR CINCLANT CINCPAC

CINCUSAREUR CINCUSNAVEUR USMR SHAPE GENEVA PRAGUE SOFIA AND WARSAW

16 MAY 75

QUOTE

C O N F I D E N T I A L MOSCOW 6800

LIMDIS

FOR POLADS

GENEVA FOR USDEL CSCE

GENEVA FOR MEPC DEL

SHAPE FOR POLAD

UISA FOR IBS, IEE, IPS

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1. SUMMARY. THE DENOUCMENT IN INDOCHINA REPRESENTS A
FUNDAMENTAL SHIFT IN THE BALANCE OF FORCES IN SOUTHEAST
ASIA AND PROVIDES MOSCOW WITH THE BEST OPPORTUNITY IT HAS
EVER HAD TO EXPAND ITS INFLUENCE IN A REGION THAT IT

REGARDS AS A GREAT STRATEGIC IMPORTANCE AND AS THE SOUTHEASTERN FLANK OF CHINA. THE SURPRISINGLY RAPID COLLAPSE OF ANTI-COMMUNIST FORCES IN INDO-CHINA COULD HARDLY HAVE BEEN MORE IN MOSCOW'S INTERESTS HAD THE KREMLIN ACTUALLY WRITTEN THE SCRIPT: A MAJOR ALLY IN THE AREA WITH LONG HISTORICAL ANTI-PATHY TO CHINA HAS EMERGED AS THE DOMINANT REGIONAL POWER ON THE MAINLAND AT SEEMINGLY RELATIVELY LITTLE COST IN TERMS OF DETENTE WITH THE U.S. THE PROSPECTS FOR THE SOVIETS IN INSULAR SOUTHEAST ASIA'S HAVE NOT BEEN BETTER FOR TWO DECADES. SUCH AN OUTCOME COULD HARDLY HAVE BEEN IMAGINED OR EXPECTED IN 1964 AND EARLY 1965 WHEN THE BREZHNEV-KOSYGIN LEADERSHIP DECIDED TO PUT RELATIONS WITH THE U.S. ON THE BACK BURNER BECAUSE OF OUR DECISION TO USE AMERICAN FORCES TO HALT THE DRV MOVE INTO SOUTH VIETNAM. THE KREMLIN UNDOUBTEDLY SEES THE COURSE OF DEVELOPMENTS IN SOUTHEAST ASIA AS SUPPORTING ITS OBJECTIVE OF CONTAINING PEKING'S POWER AND INFLUENCE. THE SOVIETS WILL NOW SEEK TO CAPITALIZE ON HANOI'S SUCCESS, ON THE DIMINUTION OF U.S. POWER AND PRESTIGE, AND ON LATENT ANTI-CHINESE FEELINGS IN THE AREA TO FURTHER THEIR OWN INTERESTS IN SOUTHEAST ASIA. IN INDOCHINA THEY WILL GIVE HANOI VIRTUALLY A BLANK CHECK FOR ASSISTANCE IN POST-WAR RECONSTRUCTION; THEY WILL DO NOTHING TO PREVENT A COLLAPSE OF THE 1973 COMPROMISE IN LAOS; AND, DESPITE THE UNPROMISING BEGINNING IN CAMBODIA, THEY WILL CLENCH THEIR TEETH AND PATIENTLY SEEK A TOEHOLD WITH PHNOM PENH'S NEW RULERS. BEYOND INDOCHINA, THEY WILL ESCHEM A REVOLUTIONARY POLICY OF SUBVERSION IN FAVOR OF INTENSIFYING THEIR TRADITIONAL QUEST FOR BETTER RELATIONS WITH THE GOVERNMENTS IN POWER AND OF PROMOTING WIDER REGIONAL COOPERATION, AND ASIAN COLLECTIVE SECURITY AGREEMENT, AND PERHAPS A CONFERENCE ON SECURITY AND COOPERATION IN ASIA (I.E., OSCA). INITIAL PRIME TARGETS FOR THE SOVIETS ARE LIKELY TO BE THAILAND AND INDONESIA. THEY WILL USE THEIR INFLUENCE TO PROMOTE A NEUTRALIZATION OF THE ASIAN AREA AND A WITHDRAWAL OF FOREIGN BASES, ALTHOUGH THEY ARE PROBABLY AMBIVALENT ABOUT CONTINUED AMERICAN PRESENCE IN THE AREA AS A COUNTERWEIGHT TO CHINA. IN ESSENCE, THIS WILL ONLY BE A CONTINUATION OF THE POLICY

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THAT THE SOVIETS HAVE BEEN FOLLOWING IN SOUTHEAST ASIA FOR THE PAST TWO DECADES. THE DIFFERENCE LIES IN THE FACT THAT THE U.S. DEBACLE IN VIETNAM WILL MAKE THE GOVERNMENTS OF THE REGION FAR MORE AMENABLE TO AN EXPANSION OF TIES WITH THE USSR THAN THEY HAVE BEEN IN THE PAST. END SUMMARY.

2. TO THE KREMLIN, SOUTHEAST ASIA REMAINS A REGION OF GREAT IMPORTANCE. IT SITS ASTRIDE THE SEA LANES BETWEEN EUROPEAN RUSSIA AND MARITIME PROVINCES AND IS THE SOUTHEAST FLANK OF CHINA. IT WILL BE AN ARENA OF SINO-SOVIET CONTENTION FOR MANY YEARS TO COME. THE SOVIET LEADERSHIP CLEARLY EXPECTS THAT THE VICTORY OF COMMUNIST FORCES IN CAMBODIA AND SOUTH VIETNAM WILL RESULT IN A MARKED DECLINE

OF U.S. INFLUENCE IN THE AREA. THIS, IN TURN, WILL NECESSITATE A THOROUGH REEXAMINATION OF FOREIGN AND DOMESTIC POLICIES BY EACH COUNTRY OF THE REGION AND WILL OFFER THE SOVIETS UNPARALLELED OPPORTUNITIES IN SOME CASES TO ESTABLISH AND IN OTHER CASES TO ENHANCE THEIR INFLUENCE.

3. FURTHERMORE, THE USSR REMAINS A SELF-CONSCIOUS SUPER-PWER WITH A MESSIANIC DOCTRINE AND A NATURAL PROPENSITY TO EXPAND IT INFLUENCE INTO AREAS WHERE CONDITIONS FAVOR SUCH EXPANSION. IT HAS BEEN TRYING TO DO SO IN SOUTHEAST ASIA FOR THE PAST 25 YEARS BUT HAS BEEN ONLY MODERTELY SUCCESSFUL IN SUCH EFFORTS, PARTLY BECAUSE OF SOVIET HAMHANDEDNESS BUT LARGELY BECAUSE OF GREAT AMERICAN PRESENCE PRECLUDED ANY NECESSITY ON THE PART OF THE NATIONS OF THE AREA--ON THE THEORY THAT THE FEWER SUPERPOWERS INTIMATELY INVOLVED IN ONE'S AFFAIRS, THE BETTER OFF ONE IS--TO WELCOME A FURTHER COUNTERBALANCE TO CHINA. A KREMLIN POLICY OF CONSTANT PROBING TO TEST THE OUTER LIMITS OF POSSIBLE SOVIET INFLUENCE IS NOT NEW IN THIS AREA, VI. THE BILLION DOLLARS WORTH OF SOVIET ARMS SUPPLIED TO SUKARNO IN THE EARLY SIXTIES. BUT WHAT HAS CHANGED MARKEDLY IS THE FACT THAT THE GOVERNMENTS OF SOUTHEAST ASIA WILL NOW BE FAR MORE RECEPTIVE TO EXPANSION OF TIES WITH THE USSR THAN THEY HAVE BEEN IN THE PAST.

4. THE SOVIETS WILL THEREFORE ALMOST CERTAINLY BEGIN AN ACTIVE CAMPAIGN TO INCREASE TRADE AND AID, INCLUDING MILITARY AID, AS WELL AS TO OFFER EXPRESSIONS OF POLITICAL SUPPORT AND FRIENDSHIP TO THE COUNTRIES OF THE AREA AND, TO THE EXTENT CONFIDENTIAL

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THEY ARE ABLE, THEY WILL ENCOURAGE AND TRY TO IDENTIFY THEMSELVES WITH THOSE ELEMENTS WHICH FAVOR STRONG POLITICAL AND ECONOMIC NATIONALISM.

5. THE U.S. FACTOR. IN MOVING TO EXPAND ITS INFLUENCE IN SOUTHEAST ASIA, MOSCOW WILL ATTEMPT TO INSURE THAT THIS WILL NOT POISON THE RELATIONSHIP WITH THE U.S. IN THEIR DISCUSSIONS WITH US THE SOVIETS WILL INSIST, AND PERHAPS EVEN BELIEVE, THAT THE INTERESTS OF MOSCOW AND WASHINGTON IN THIS AREA ARE LARGELY COMPLEMENTARY AND THAT AN INCREASE OF SOVIET PRESTIGE AND INFLUENCE SHOULD BENEFIT THE COURSE OF DETENTE. THIS WAS LARGELY WHAT BREZHNEV SEEMED TO HAVE IN MIND MAY 8 WHEN HE SAID THAT DEVELOPMENTS IN VIETNAM SHOULD NOT HARM THE U.S.-SOVIET RELATIONSHIP.

6 AN IMPORTANT ASPECT OF SOVIET WORLDWIDE POLICY IS TO REDUCE U.S. INFLUENCE AND THIS WILL CONTINUE TO BE A SOVIET AIM IN SOUTHEAST ASIA. MOSCOW HAS THEREFORE APPLAUDED BANGKOK'S CALL FOR THE WITHDRAWAL OF U.S. FORCES AND MARCOS' MOVES TO REEXAMINE PHILIPPINE RELATIONS WITH THE U.S. THE SOVIETS WILL BE WORKING TO PROMOTE AN INDOCHINA DOMINATED BY HANOI AND AN ASEAN AREA WHICH IS NEUTRALIZED. THEY WOULD LIKE TO SEE

DEFENSE TIES BETWEEN THE SOUTHEAST ASIAN NATIONS AND THE U.S. BROKEN, OR AT LEAST WEAKENED. HOWEVER, BECAUSE OF THE CHINA FACTOR, THERE IS A LIMIT BEYOND WHICH MOSCOW WOULD NOT LIKE TO SEE U.S. INFLUENCE REDUCED. JUST AS THE U.S. PRESENCE IN EUROPE IS SEEN BY THE SOVIETS AS AN OFFSET TO THE THREAT OF A HOSTILE GERMANY, TO AN EVEN GREATER DEGREE IS THE U.S. PRESENCE IN ASIA VIEWED AS A MAKEWEIGHT AGAINST CHINA AS WELL AS A GUARANTEE AGAINST A RESURGENCE OF JAPANESE MILITARISM OR DREAMS OF POLITICAL HEGEMONY IN THE REGION.

7. CHINA. IN SOUTHEAST ASIA MOSCOW IS HIGHLY CONSCIOUS OF THE TRIPARTITE COMPLEX OF POWER RELATIONSHIPS AMONG ITSELF, PEKING AND WASHINGTON. THE CHINA FACTOR, NOW THAT THE U.S. IS OUT OF VIETNAM, FAR OUTWEIGHS THE U.S. FACTOR FOR THE SOVIETS IN THIS REGARD. THE EXTENT OF MOSCOW'S SUPPORT FOR HANOI DERIVES IN PART FROM ITS DESIRE TO BUILD THE DRV AS A REGIONAL POWER INDEPENDENT OF PEKING'S INFLUENCE. AS KUZNETSOV, DEPUTY DIRECTOR OF SOUTHEAST ASIAN AFFAIRS IN THE SOVIET FOREIGN MINISTRY REMARKED TO US RECENTLY, "THE CONFIDENTIAL

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ENTIRE HISTORY OF VIET NAM IS NOTHING BUT RESISTANCE TO CHINA." MOSCOW IS OBVIOUSLY HOPING THAT HANOI WILL BE A BLOCKING FORCE IMPEDING CHINESE EXPANSION. ELSEWHERE IN SOUTHEAST ASIA THE SOVIETS CAN BE COUNTED ON TO PLAY UPON THE WIDESPREAD ANTI-PATHY TO CHINA AND TO STRESS WITH SOUTHEAST ASIAN GOVERNMENTS--AS THEY STRESS TO SOUTHEAST ASIAN DIPLOMATS HERE--PEKING'S ALLEGED SUPPORT FOR LOCAL MAOIST INSURGENTS, ITS CAPACITY TO FOMENT SUBVERSION THROUGH OVERSEAS CHINESE COMMUNITIES, ITS GREAT POWER AMBITIONS, AND ITS OPPOSITION TO PEACE AND COLLECTIVE SECURITY.

8. MOSCOW'S REVOLUTIONARY ELAN. THE SOVIETS HOPE TO BUILD ON A SUCCESSFUL RELATIONSHIP WITH HANOI TO DEMONSTRATE THAT THEY ARE MAINTAINING THEIR REVOLUTIONARY CREDENTIALS, WHICH HAVE BEEN GREATLY TARNISHED, WITH SOME CAUSE, WITH VARIOUS LEFTIST FORCES IN SOUTHEAST ASIA. IN RECENT YEARS THEY HAVE HAD ONLY THE MOST TENUOUS TIES WITH THE COMMUNIST PARTIES OF THE REGION--ALL OF WHOM ARE SOLIDLY IN THE PEKING CAMP. GIVEN THE ATTITUDE OF THE VARIOUS INSURGENT LEADERS THROUGHOUT ASIA, THE SOVIETS HAVE LITTLE CHOICE BUT TO FOLLOW THEIR NATURAL PROCLIVITIES AND CONTINUE TO CULTIVATE THE ESTABLISHED GOVERNMENTS IN THE REGION, AT THE SAME TIME EXPRESSING SYMPATHY WITH LOCAL "PROGRESSIVE" AND NATIONALIST FORCES.

9. ARMS MERCHANT. WE WOULD GUESS THAT THE MASSIVE HORDE OF U.S. WEAPONS SEIZED BY HANOI WILL FUEL THE VARIOUS SOUTHEAST ASIAN INSURGENCIES FOR MANY YEARS TO COME AND THAT MOSCOW WILL NOT ATTEMPT TO IMPEDE THIS PROCESS. WHILE THE SOVIETS MIGHT OBJECT TO ATTEMPTS BY HANOI TO UTILIZE DIRECT SOVIET MILITARY ASSISTANCE TO ASSIST REBEL GROUPS, THEY ARE LIKELY TO TURN A BLIND EYE TO ATTEMPTS BY HANOI TO SUPPLY

SYMPATHETIC INSURGENTS WITH CAPTURED U.S. ARMS. IN EFFECT, MOSCOW WILL TAKE A JANUS-FACED APPROACH IN THIS AREA: WHILE NOT RELINQUISHING ITS CLAIM TO BEE A REVOLUTIONARY POWER IT WILL AT THE SAME TIME ATTEMPT TO DEMONSTRATE TO THE VARIOUS NATIONS OF THE REGION THAT IT IS IN FAVOR OF PEACEFUL RECONSTRUCTION, RECONCILIATION AND GENUINE FRIENDSHIP. STANDARD OPERATING PROCEDURE FOR MOSCOW WOULD BE TO OFFER TO SELL ARMS TO THOSE GOVERNMENTS INTERESTED IN SUCH PURCHASES. WE WOULD THEREFORE NOT BE SURPRISED TO SEE A PARADOXICAL SITUATION DEVELOP IN SEVERAL YEARS WHEREBY HANOI WOULD BECOME THE CONFIDENTIAL

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ARMORER OF LOCAL INSURGENCIES IN THE AREA WHILE ITS ALLY MOSCOW WOULD BE OFFERING WEAPONS TO SOUTHEAST ASIAN GOVERNMENTS TO FIGHT THOSE VERY SAME INSURGENCIES.

10. COLLECTIVE SECURITY. INCREASED AID AND EXPANDING RELATIONS WITH THE ESTABLISHED REGIMES IN SOUTHEAST ASIA WOULD ALSO FIT NEATLY WITH MOSCOW'S LONG-ADVERTIZED SCHEME OF ASIAN COLLECTIVE SECURITY. THIS SHOULD TAKE NEW WING FOLLOWING THE INDOCHINA DEBACLE AND IN CONJUNCTION WITH THE CLOSING STAGES OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE). IN FACT, WE WOULD ANTICIPATE THAT THE SOVIETS WILL BE PROPOSING A "CSCA" IN THE NOT TOO DISTANT FUTURE. WHILE MOSCOW HAS STRESSED THAT ITS COLLECTIVE SECURITY PROPOSAL IS NOT DIRECTED AGAINST ANY COUNTRY, IT HAS EXPLICITLY STATED THAT THOSE WHO OPPOSE THE IDEA-- I.E., PEKING-- MUST THEREFORE OPPOSE PEACE IN ASIA. IMPLICIT IS THE ASSUMPTION THAT THIS, LIKE ITS EUROPEAN COUNTERPART, WOULD HAVE THE EFFECT OF CONFIRMING EXISTING BORDERS IN ASIA. THE SOVIETS PROBABLY REGARD THE NEUTRALIZATION OF ASEAN ALONG THE LINES OF THE RAZAK PROPOSAL AS FITTING INTO A SYSTEM OF ASIAN COLLECTIVE SECURITY AND RECENT SOVIET COMMENTARY HAS BEGUN TO TREAT MUTUAL COOPERATION WITHIN ASEAN IN A FAVORABLE MANNER. THE SOVIETS PROBABLY HOPE TO SEE THEIR COLLECTIVE SECURITY PROPOSAL FOR ASIA CONTRIBUTE TO THE BUILDING OF A RELATIONSHIP WITH SOUTHEAST ASIA COMPARABLE TO THE ONE THEY ALREADY HAVE WITH SOUTH ASIA--I.E., WHERE MOSCOW IS THE DOMINANT OUTSIDE POWER. IN THE FOREIGN POLICY REPORT AT THE APRIL PARTY PLENUM RELATIONS WITH INDIA WERE, IN FACT, SINGLED OUT AS THE MODEL FOR SOVIET RELATIONS WITH THIRD WORLD COUNTRIES.

11. TACTICS AND ACTORS: SOLDIERS AND DIPLOMATS. AS IS ITS PRACTICE IN MANY THIRD WORLD AREAS, WE ANTICIPATE THAT THE SOVIETS WILL PAY GREAT ATTENTION TO CULTIVATING THE MILITARY THROUGHOUT SOUTHEAST ASIA AND WILL ADVISE THEIR LOCAL SUPPORTERS LIKEWISE TO LAY HEAVY STRESS ON THIS TACTIC. THE KREMLIN HAS DULY NOTED THE SUCCESSES OF THE LEFTIST-ORIENTED MILITARY LEADERSHIPS IN SUCH PLACES AS PERU AND PORTUGAL. IT PROBABLY BELIEVES THAT SIMILAR MILITARY GROUPINGS OF RELATIVELY YOUNG, AS YET UNKNOWN, MILITARY

OFFICERS EXIST THROUGHOUT NON-COMMUNIST SOUTHEAST ASIA AND
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THAT THEY OFFER THE BEST TARGET FOR THE SOVIET TO
IMPROVE THEIR STANDING IN THE REGION. ONE FACTOR IM-
PEDING SOVIET EFFORTS IN SOUTHEAST ASIA IN THE PAST HAS BEEN
THE INABILITY OF THEIR OFFICIALS TO OPERATE EFFECTIVELY WITHIN
SOUTHEAST ASIAN CULTURES. THIS RELATIVE SOVIET CLUMSINESS
AND LACK OF SUBTELETY, HOWEVER, HAS ALREADY BEGUN TO BE A
DECLINING FACTOR. AS ELSEWHERE, THEY ARE IN THE PROCESS
OF DEVELOPING A LARGE CORPS OF SKILLED DIPLOMATS AND AREA
EXPERTS WHO HAVE DEEP KNOWLEDGE AND EXPERTISE IN SOUTHEAST
ASIAN MATTERS. THIS CANNOT HELP BUT ENHANCE THEIR EFFORTS
TO EXPAND THEIR INFLUENCE AND PRESTIGE THROUGHOUT A REGION
WHERE THE TYPICALLY SOVIET HARD-SELL APPROACH WILL NEVER
STRIKE A CHORD OF SYMPATHY.

11. INDOCHINA. FOR REASONS CITED ABOVE, MOSCOW CAN BE
COUNTED ON TO GIVE THE DRV A VIRTUAL BLANK CHECK IN TERMS
OF ECONOMIC AND MILITARY AID SUPPORT FOR VIET NAM'S POST-
WAR CONSTRUCTION. THE DRV LEADERSHIP, AS IT HAS FOR THE PAST
DOZEN YEARS, WILL CONTINUE ITS TACTIC OF PLAYING OFF MOSCOW
AGAINST PEKING. THE SOVIETS WILL ALMOST CERTAINLY GO ALONG
WITH WHAT THE DRV DECIDES TO DO WITH LAOS, WHICH THE KREMLIN
SEES AS AN ADDITIONAL STRETCH OF BEACH UNDER HANOI'S CON-
QUERING WAVE. WHILE THE USSR HAS BEEN FORMALLY COMMITTED
TO, AND WE BELIEVE ACTUALLY IN FAVOR OF, THE 1973 LAOTIAN
COMPROMISE AGREEMENT, WE WOULD NOT EXPECT MOSCOW TO LIFT
A FINGER TO RESTRAIN A PATHET LAO TAKEOVER, REGARDED HERE
AS A FOREGONE CONCLUSION. IN CAMBODIA, ON THE OTHER HAND,
THE SOVIETS ARE NOW VERY MUCH ON THE OUTSIDE LOOKING IN.
THE PUMMELING AND EXPULSION OF THE CARETAKER STAFF OF THEIR
EMBASSY IN PHNOM PENH IS AN UNMISTAKABLE INDICATION OF HOW THEY
ARE CURRENTLY REGARDED BY THE NEW CAMBODIAN REGIME. NEVERTHE-
LESS, JUST AS THEY DID IN INDONESIA IN 1965, THE SOVIET WILL
UNDOUBTEDLY HUNKER DOWN AND HANG IN, HOPING THAT SOONER OR
LATER THEY WILL BE ABLE TO INGRATIATE THEMSELVES WITH THE
LEADERSHIP IN CAMBODIA.

12. THAILAND/BURMA. GIVEN THE CURRENT TEMPER OF THE GOVERN-
MENT IN BANGKOK, THE SOVIETS REGARD THAILAND AS A SUSCEPTIBLE
TARGET. THEY SEE A JITTERY AND INEXPERIENCED THAI LEADER-
SHIP WITH AN UNCERTAIN POLITICAL FUTURE AND INDECISIVE VIEWS
LOOKING NERVOUSLY EASTWARD AND NORTHWARD WHILE AT THE SAME
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TIME ACTIVELY DOWNGRADING ITS RELATIONSHIP WITH THE U.S.
THIS IS A SITUATION TAILOR-MADE FOR INCREASED SOVIET ACTIVI-
TIES. MOSCOW WILL ALMOST CERTAINLY BE FORTHCOMING WITH OFFERS
OF TRADE, AID AND EXCHANGE OF HIGH LEVEL VISITORS AND WILL

HOPE THAT BANGKOK WILL VIEW IMPROVED RELATIONS WITH MOSCOW AS A CONVENIENT BALANCE TO THE IMPROVEMENT ALREADY UNDERWAY WITH PEKING, ESPECIALLY DURING A PERIOD OF DECLINING AMERICAN PRESENCE.

13. THE SOVIETS CAN ALSO BE COUNTED ON TO DO EVERYTHING POSSIBLE TO MAINTAIN AND ENHANCE THEIR RELATIONS WITH THE BURMESE GOVERNMENT. MOSCOW HAS LONG SINCE GIVEN ITS BLESSINGS TO THE "BURMESE ROAD TO SOCIALISM" AND SEEMS TO HAVE SKILLFULLY PLAYED ITS DIPLOMATIC HAND IN RANGOON, CAPITALIZING ON BURMESE RESENTMENT OF CHINESE SUPPORT OVER THE YEARS TO LOCAL INSURGENCIES. SUCH EFFORTS BY MOSCOW WILL CERTAINLY CONTINUE, ALTHOUGH THE WELL-KNOWN ATTITUDES AND THE TRADITIONAL CAUTION OF THE GUB WILL INHIBIT ANY MARKED EXPANSION OF THE SOVIET PRESENCE IN RANGOON.

14. THE MALAY WORLD: INDONESIA. BECAUSE THE WEIGHT OF CHINA IS PREPONDERANT, THE BEST PROSPECT THE SOVIETS CAN PROBABLY HOPE FOR IS TO PLAY THE CHINESE TO A DRAW ON THE MAINLAND OF SOUTHEAST ASIA. THE OFFSHORE AREA OF SEA IS SOMETHING ELSE AGAIN. THE HATRED FOR CHINA AND THINGS CHINESE AND THE FEAR OF THE OVERSEAS CHINESE COMMUNITIES WITHIN GHE MALAY WORLD IS A POWERFUL FACTOR ON WHICH THE SOVIETS CAN ATTEMPT TO CAPITALIZE IN ORDER TO ACHIEVE THE POSITION OF PREDOMINANT OUTSIDE SUPERPOWER IN THIS AREA. THIS IS PARTICULARLY TRUE IN INDONESIA--RICH IN NATURAL RESOURCES, INCLUDING OIL, THE FIFTH LARGEST COUNTRY IN THE WORLD AND THE POTENTIAL DOMINANT NATION IN THE AREA. INDONESIA ALSO SITS ASTRIDE THE MALACCA AND THE SUNDA STRAITS --I.E., THE NATURAL MARITIME PASSAGES BETWEEN THE EUROPEAN PART OF THE USSR AND THE SOVIET FAR EAST. EVEN AS EARLY AS TWO DECADES AGO THE SOVIETS HAD ATTEMPTED TO ESTABLISH A FIRM POSITION IN JAKARTA. THE BILLION DOLLAR'S WORTH OF ARMS FURNISHED TO SUKARNO IS AMPLE TESTIMONY TO THIS. THE VIRULENT ANTI-COMMUNIST FEELINGS OF THE CURRENT LEADERSHIP OF INDONESIA HAS BEEN A KEY FACTOR BLOCKING A GROWTH OF SOVIET INFLUENCE THERE. THE EVENTS OF OCTOBER 1, 1965, PARTICU-
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LARLY THE MURDER AND MUTILATION OF THE SIX GENERALS, WERE A TRAUMATIC EVENT FOR TNI LEADERS SUCH AS SUHARTO AND PANGGABEAN. HOWEVER, THE PKI AT THAT TIME WAS COMPLETELY PEKING-OREINTED. THE SOVIETS CAN AND DO ASSERT, IN FULL TRUTH, THAT THEY HAD NOTHING TO DO WITH THE ATTEMPTED COMMUNIST TAKEOVER. GIVEN THE DIMINUTION OF AMERICAN PRESENCE AND PRESTIGE IN SOUTHEAST ASIA, MOSCOW THEREFORE HAS SOME REASON TO HOPE FOR A REASSESSMENT BY THE INDO- NESIANS IN THEIR FAVOR. FURTHERMORE, EVEN IF THE GENERALS --AS IS LIKELY--GO ON MAINTAINING THEIR UNREMITTING ANTI-COMMUNIST FEELINGS AND CONSEQUENT ANTI-SOVIET BIAS, THIS MAY WELL NOT BE TRUE OF THE CAPTAINS AND THE MAJORS WHOE ARE REPORTEDLY GROWING MORE AND MORE RESENTFUL OF THE INCREASING

DISPARITY BETWEEN JAVA'S MISERABLE POVERTY AND THE FLAUNTED WEALTH AND LAVISH LIFE-STYLE OF SOME OF THEIR SUPERIORS.

THE SOVIETS MIGHT THEREFORE BE COUNTING ON TRADITIONAL INDONESIAN PROBLEMS SUCH AS THE CONFLICTS BETWEEN JAVA AND THE OUTER ISLANDS AND BETWEEN THE OROTHODOX MOSLEMS AND THE PRIYAYI AND ABANGAN TO TRIGGER AN EVENTUAL POLITICAL READJUSTMENT IN INDONESIA WHICH WILL BE MORE FAVORABLE TO MOSCOW. IN ANY CASE, THE KREMLIN CLEARLY APPRECIATES THE PRIMARY IMPORTANCE OF INDONESIA, AND ADAM MALIK'S VISIT TO MOSCOW IN DECEMBER RESULTED IN THE FIRST NEW SOVIET AID PLEDGED TO JAKARTA IN MORE THAN TEN YEARS AND SYMBOLIZED AN ESSENTIAL NORMALIZATION OF RELATIONS BETWEEN MOSCOW AND JAKARTA.

15. MALAYSIA/SINGAPORE. THE SOVIETS REGARD MALAYSIA AS A PRIME SOURCE FOR RUBBER AND TIN, TWO KEY SUBSTANCES WHICH THE USSR, WHICH ALMOST ENJOYS AUTARCHY, DOES NOT POSSESS. THEY SEE CLEARLY THAT THE RACIAL PROBLEMS WHICH ARE UNIQUE IN THIS AREA SHOULD MAKE THE MALAYS HIGHLY RECEPTIVE TO AN INCREASED SOVIET PRESENCE AND ALMOST CERTAINLY APPROVE RAZAK'S CALL FOR NEUTRALIZATION OF SOUTHEAST ASIA. SINGAPORE THEY REGARD LARGELY AS AN IMPORTANT COMMUNICATIONS CENTER, BUT ONE WHICH, BECAUSE OF ITS PREDOMINANTLY CHINESE CHARACTER, WILL NEVER BE REALLY AMENABLE TO SUBSTANTIAL SOVIET INFLUENCE.

16. THE PHILLIPINES IS THE ONLY COUNTRY IN SOUTHEAST ASIA WHICH HAS NO OFFICIAL RELATIONS WITH THE SOVIET UNION, AND
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EXCHANGES TO DATE HAVE BEEN LIMITED TO THE COMMERCIAL AND CULTURAL SPHERE. THE SOVIETS FEEL THAT IT IS ONLY A MATTER OF MONTHS BEFORE THEY WILL BE PERMITTED TO OPEN AN EMBASSY IN MANILA, AND THEY PROBABLY REGARD THE PHILLIPPINES A FERTILE SOIL FOR SOVIET EXPANSION OF INTERESTS. THE POET EVTUSHENKO, EVIDENTLY A GREAT PAL OF IMELDAS, RECENTLY REMARKED TO OUR POLITICAL COUNSELOR THAT HE HAD VISITED MORE THAN SEVENTY COUNTRIES BUT HAD NEVER SEEN GREATER CONTRAST BETWEEN WEALTH AND POVERTY THAN FORBES PARK AND THE BARRIOS. DESPITE UPCOMING MOVES BY THE GOP TO NORMALIZE ITS RELATIONS WITH PEKING, GIVEN THE FILIPINO ANTIPATHY TOWARD CHINA AND THE CURRENT AMBIGUITY OF THE RELATIONSHIP WITH THE U.S., IT IS LIKELY THAT THE KREMLIN IS CURRENTLY MODERATELY OPTIMISTIC ABOUT ITS CHANGES THERE.

17. IN SUM, WE ANTICIPATE A SUBSTANTIAL INCREASE IN SOVIET EFFORTS IN SOUTHEAST ASIA. WHILE THE FACTORS IN EACH COUNTRY IN THE REGION DIFFER MARKEDLY, THE KREMLIN SEEMS TO FORESEE AN OVERALL SITUATION IN WHICH U.S. INFLUENCE WILL BE REDUCED BUT WILL NOT BE REMOVED, WHILE ITS OWN INFLUENCE WILL BE ENHANCED BUT WILL NOT PREDOMINATE. THE USSR CLEARLY AIMS, MUCH AS THE U.S. DID IN THE 1950'S, TO

BOLSTER A LINE OF NATIONS ALONG THE SOUTHERN BOUNDARIES OF
CHINA FROM INDIA TO INDONESIA WHICH ARE INIMICAL, IF NOT
HOSTILE, TO CHINESE TERRITORIAL OF POLITICAL EXPANSION.
IT HOPES EVENTUALLY TO BECOME A MAJOR, IF NOT THE MAJOR,
OUTSIDE POWER IN INSULAR SOUTHEAST ASIA. THE FACT THAT THIS
IS EVEN CONCEIVABLE IN MOSCOW AT THIS STAGE DEMONSTRATES
GRAPHICALLY THE HISTORICAL IMPORTANCE OF THE EVENTS
IN INDOCHINA.
STOESSEL UNQUOTE INGERSOLL

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